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FLD
35CENTRAL INTELLIGENCE GROUP
INTELLIGENCE REPORT

COUNTRY Germany (Russian Zone)

DATE:

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SUBJECT Reparation Payments from Current
Production in Saxony-Anhalt

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SUPPLEMENT

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25X1A ORIGIN

1. Payment to firms making reparations deliveries from current production is handled in the following manner: From the stipulated 1700 million RM regular receipts in the 1947-1948 budget for Land Saxony-Anhalt, 1200 million RM are transferred to the zonal budget. Payments by the Land government to firms making reparations deliveries from current production are deducted from the sum to be transferred; according to officials of the Ministry of Finance these deductions follow standard procedure.
2. Since 1 April 1947, payments to firms have been made through the Central Land Treasury (Landeskreditbank). After a delivery has been made and a copy of the invoice, receipted by Derutra, has come to the budget office in the Ministry of Finance, the Central Land Treasury pays the invoice amount to the Landeskreditbank or any of its subsidiaries with which the delivering firm has an account.
3. Transfers of money for deliveries of SAG's are made to the Guaranty and Credit Bank. After the Central Land Treasury has made the deposit, an acceptance is sent from the Administration for Reparations and Deliveries of SMA Germany, at Waldow-Allee 36, Berlin-Karlshorst, via the plenipotentiaries of the Reparations and Delivery Administration for Saxony-Anhalt, Schleiermacherstrasse 4, Halle (Lt. Colonel Volkov). This acceptance shows that the delivery has been made; it is issued by Karlshorst only after the goods have been loaded on a ship or reported as having crossed the German frontier.
4. According to Director Guilland, vice president of the Landeskreditbank of Saxony-Anhalt, transfers of money or credit cannot be made directly from one Land to another but must be handled exclusively through the bank accounting office in Potsdam. Clearance for interzonal accounts is given by the Berlin City Accounting Office.
5. The Landeskreditbank turned over its balance in German money to the amount of about 1.750 million RM to the newly founded Emicsons- und Circobank in Halle against a special counter-bond.

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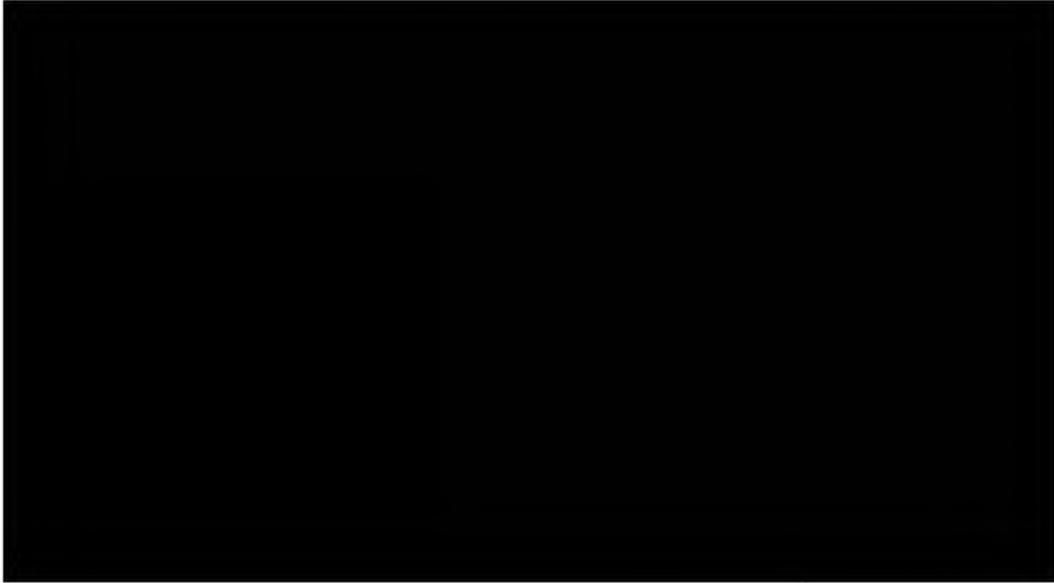
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Payments to the zone economy go to the Landeskreditbank of Brandenburg at Potsdam, where SWA has an account, Number 9192, which receives funds from sales of sequestered Wehrmacht property for the economy of the USSR. Since nothing is known of transfer of other funds there or to any other central office, the Emissions- und Girobank and the Landeskreditbank of Saxony-Anhalt appear to be the final office for Land money circulation. The money affairs of all Soviet AGs are concluded by the Russian Garantie-und Kreditbank, which is also trying to enter German business. 25X1C



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